



CALIFORNIA RETAILER SETTLEMENT AUTHORIZATION FORM

FNS Authorization #: _____

(Full Legal Business Name)

authorizes Xerox and its designated financial institution, Bank of America, and the financial institution listed below to transfer funds and make correcting debit adjustments, when needed, to the indicated business account for activity related to the State of California's Electronic Benefit Transfer (EBT) Program subject to the terms of the Retailer Agreement.

Choose () One:



First Submission



Change in Banking Info

Business Information:

d/b/a (If doing business under another name or a trade name; write that name here)

Address

City/State/Zip

Telephone Number

Printed Name

Home Address

City/ State/ Zip

Home Telephone Number

By: (Signature of Owner or Authorized Personnel)

Title (Owner or Office

Settlement Cut-off time: ____:____am/pm
(Pacific Standard Time)

**ATTACH VOIDED CHECK IN THIS BOX OR ENCLOSE A LETTER
FROM YOUR BANK WITH ROUTING & ACCOUNT # INFORMATION
NOTE: WE WILL ONLY ACCEPT CHECKING ACCOUNTS**

California Retailer
123 Main St
California City, CA 12345

2372

Date _____

Pay to the
Order of _____

VOID

\$ _____
Dollars

XYZ Bank California
City, CA

For _____
:123789789:987654321:2372

Please return completed form to:

Xerox State and Local Solutions
National Retail Management Center
P.O. Box 80469, Austin, TX 78708

Contact us at: ebt.retailoperations@xerox.com or (866) 217-1076

**CALIFORNIA RETAILER AGREEMENT
ELECTRONIC BENEFIT TRANSFER PROGRAM
(EBT ONLY)**

This Agreement made this _____ day of _____, 20____ by and between

CONTRACTOR:

Xerox State & Local Solutions, Inc.

MAIL AGREEMENTS TO:

Xerox State & Local Solutions, Inc.
P.O. Box 80469
Austin, TX 78708

RETAILER:

Registered Business Name: _____
(Registered Business Name must match Food and Nutrition Service [FNS] application)

Store Name: _____

Street Address: _____

City, State, and Zip Code: _____

Telephone: _____

Federal Employer Identification Number
or if an individual, Social Security Number: _____

FNS Authorization Number: _____

Retailer E-Mail Address: _____

PRIMARY METHOD OF BENEFIT REDEMPTION		
<i>Retailer will support one of the following methods of redemption:</i>		<i>Choose (✓) only one of the four boxes:</i>
Electronic redemption with Point of Sale (POS) equipment provided by Xerox for:	Food and Cash Benefits	<input type="checkbox"/>
	Food Benefits only	<input type="checkbox"/>
	Cash Benefits only	<input type="checkbox"/>
Manual redemption of Food Benefits using paper manual vouchers and telephone authorization		<input type="checkbox"/>

1. **Engagement of Retailer.**

a. Pursuant to an agreement (the "Principal Agreement") with the State of California Department of Social Services/Office of Systems Integration ("State"), Xerox State and Local Solutions, Inc. ("Contractor") manages the issuance of United States Department of Agriculture Food and Nutrition Service ("FNS") food benefits ("FS Benefits"), Temporary Assistance to Needy Families (TANF) benefits and/or other government delivered cash assistance benefits ("Cash Benefits, with FS Benefits, "Benefits") to benefit "Recipients" in the State. Additionally, Retailers must accept EBT cards from other Interoperable states and must distribute benefits accordingly.

b. Contractor hereby engages Retailer, at each of the retail locations identified in Appendix A, attached hereto and made a part hereof, for the purpose of redeeming Benefits to Recipients during Retailer's normal business hours.

c. Retailer will redeem Cash Benefits to Recipients in the same manner and to the same extent cash is provided to other customers of Retailer. If Retailer supports cash back transactions and Cash Only from Cash Account transactions, Retailer agrees to maintain adequate cash on hand to redeem confirmed Cash Benefits. If Retailer supports Cash Only from Cash Account transactions, Retailer will not require, and will not in its advertising suggest, that any Recipient must purchase goods or services at Retailer's facilities as a condition to such transaction. Retailer will not designate special checkout lanes restricted to use only by Recipients.

d. Retailer agrees to give Contractor prompt notice of any planned cessation of services, or inability to comply with the terms of this Agreement.

e. Retailers are not permitted to charge a Recipient any fee in connection with the Client's use of his/her Food or Cash Assistance Benefits.

2. **Redemption of Benefits.**

a. Retailer agrees to redeem Benefits, in the form identified above, to Recipients as hereinafter provided and in accordance with the procedures specified in the Retailer Policy and Procedures Manual provided to Retailer by Contractor, as amended from time to time (the "Manual"), and applicable law otherwise governing the redemption of Benefits. Retailer will provide each Recipient a receipt for each Benefit redemption transaction undertaken by the Recipient with Retailer and may not, at any time, impose a fee to the cardholder for processing a transaction. Retailer will be solely responsible for Retailer's incorrect redemption of Benefits.

b. If Retailer has elected (as indicated on the first page of this Agreement) to support the Electronic Issuance of Benefits, Retailer will redeem Benefits to Recipients, in accordance with the policies set forth in the Manual, in the amount authorized through Contractor-supplied point-of-sale ("POS") device, with personal identification number ("PIN") pad and printer (the "Equipment"), upon presentation by Recipient of the State-issued EBT card ("EBT Card") and Recipient entry of a valid PIN. Retailer agrees that in the event of the failure of the Equipment to print benefit redemption information as approved and validated as a legitimate transaction, Retailer will contact Contractor to receive authorization for redemption of Benefits, and that Retailer will accept this authorization for redemption in lieu of a printed receipt. In such event, Retailer agrees to issue a written or printed receipt to the Recipient per instructions outlined in the Manual.

c. If Retailer has elected (as indicated on the first page of this Agreement) to support the Manual Redemption of FS benefits only, Retailer may only accept in-state (California) EBT cards. If Retailer has elected to support the Electronic Redemption of FS Benefits and during the period of time when normal benefit redemption is not possible, as described in the Manual, Retailer may redeem both in-state and out-of-state EBT Cards. In either case, Retailer will redeem Benefits to Recipients at no cost to the Recipients upon presentation by Recipient of his/her EBT card. The following limitations will apply to manual redemption of Benefits by Retailer:

i. An authorization number for the amount of the purchase must be received from Contractor via telephone by Retailer at the time of sale except when permitted in the Manual and prior to processing or submittal of the Manual Voucher.

ii. Specified Recipient, clerk and sales information, including the telephone authorization number, must be entered properly and legibly on the Manual Voucher.

iii. Manual redemption Retailers must mail the Manual Voucher to the Contractor's project office for processing and must be received by the Contractor within fifteen (15) calendar days of authorization date. Electronic redemption Retailers must enter and clear the Manual Voucher on POS device within fifteen (15) calendar days of authorization date.

iv. In the event that Contractor, due to Contractor host failure, is unable to determine Benefits available to Recipients at the time Retailer requests authorization, the maximum authorized manual transaction and benefits encumbrance will be \$40 per Recipient per day if the Retailer calls the Retailer Customer Service Call center and is granted this privilege.

v. Except as specifically provided in the Manual, Retailer will not be reimbursed and will be solely responsible for all manual transactions when Retailer fails to obtain an authorization number from Contractor at the time of sale and prior to the submission of the Manual Voucher.

vi. Contractor will be liable only for those manual transactions performed in accordance with the Manual. If Retailer has not received an authorization number at the time of purchase, Retailer may not "re-submit" a Manual Voucher for payment if insufficient funds exist at the time that the Manual Voucher is presented for processing and payment.

d. Retailer agrees to make available informational materials, as provided by Contractor, such as schedules, Recipient notices and procedures, if any, and to post signage of the type and in the manner reasonably requested by Contractor and by any applicable regulations pertaining to the redemption of Benefits. Contractor will reimburse Retailer for the cost of POS supplies as are reasonably necessary for the Retailer to redeem Benefits hereunder.

e. Retailer agrees to comply with all applicable laws, rules and regulations in the performance of its obligations under this Agreement, including without limitation, laws pertaining to delivery of services to benefit recipients and benefit recipient confidentiality, and the federal Civil Rights Act of 1964, Rehabilitation Act of 1973, Americans with Disabilities Act of 1990, Clean Air Act, Clean Water Act, Energy Policy and Conservation Act, Immigration Reform and Control Act of 1986, and regulations issued by the Department of Agriculture pertaining to Supplemental Nutrition Assistance Program (SNAP) Regulations.

f. Retailer agrees to comply with the Quest® Operating Rules (the "Rules"), as amended from time to time issued by the National Automated Clearing House Association, and such other laws, rules and regulations as may be applicable to the redemption of Benefits by Retailer hereunder. Retailer agrees to comply with all additional procedures set forth in the Manual as amended from time to time and such other rules and regulations as may be applicable to the redemption of Benefits by Retailer hereunder. Retailer agrees to comply with all additional procedures specified by the State, or Contractor at the direction of the State, regarding lost EBT Cards, forgotten PINs, discrepancies in benefits authorized and similar matters by providing Recipients with information such as telephone numbers and addresses of the State, Contractor, or other appropriate agencies.

g. Retailer will not accept an EBT Card for any purpose other than the redemption of Benefits, including without limitation as security for repayment of any Recipient obligation to Retailer. In the event of any violation of this provision, Retailer will be obligated to reimburse Contractor on behalf of the State for any Benefits unlawfully received by either Recipient or Retailer.

3. **Processing of EBT Transaction.**

a. Contractor will promptly process for authorization all EBT transactions communicated to it in accordance with this Agreement. Contractor will provide an authorization number upon telephone request in the event of Contractor host failure. Contractor shall not be responsible for the failure of telecommunications between Retailer and Contractor.

b. Contractor will comply with all procedures set forth in the Manual for processing EBT transactions and will comply with all applicable laws, regulations, and rules governing its activity as the State's service provider for the redemption of Benefits.

c. Contractor will maintain all records required to be maintained by the State and as necessary to verify the accuracy, timeliness, completeness or reliability of the processing of the EBT transactions communicated to Contractor by Retailer and all fees, changes, adjustments made to Retailer's account, for a period not less than that required of Retailer hereunder.

4. **Redemption Records.**

a. Contractor agrees to furnish instructions to Retailer concerning EBT-related records to be maintained, as may be reasonably requested by Contractor or otherwise required by the State, and Retailer agrees to separately maintain such records in accordance with Contractor's instructions and to promptly make such records available for audit upon request to representatives of Contractor, the State, or other authorized State or Federal government agency during normal business hours.

b. To assure compliance with this Agreement, Contractor, the State, or other authorized State or Federal governmental agency, will at all times, upon advance notice, except in the case of suspected fraud or other similar activity, have the right to enter, during normal business hours, Retailer's premises to inspect or evaluate any work performed under this Agreement, or to obtain any other information required to be provided by Retailer or otherwise related to this Agreement.

c. Retailer agrees to maintain and preserve all financial records or documentation arising hereunder during the course of this Agreement and for a period of three (3) years following Benefit redemption, or for such additional period as applicable regulations may require. Records involving matters in litigation will be kept for a period of not less than three (3) years following the termination of the litigation. Copies of any documents in media other than paper (e.g. microfilm, etc.) related to this Agreement may be substituted for the originals with the prior written approval of Contractor, provided that the procedures are accepted by the State as reliable and are supported by an adequate retrieval system.

5. **Training.** Contractor agrees to furnish necessary and reasonable training in policies and procedures. Retailer agrees to cooperate and to permit its employees to receive such training at such times as is reasonably mutually convenient to the parties.

6. **Reimbursement of Retailer for Redemptions.**

a. Settlement for Retailer Benefits disbursements in the form of credit for food benefit purchases to Recipients pursuant to this Agreement, and settlement for other transactions as permitted in accordance with the Manual will be made by credit or debit of funds to Retailer's account at a financial institution. Retailer shall authorize such transfers to or from said account as may be required to correct any erroneous or unauthorized transfers or redemptions, as described in the Manual. Contractor will promptly notify Retailer of any such corrective transfers. This authorization will remain in effect until withdrawn by Retailer upon written notice to Contractor and its financial service provider will have had a reasonable time to act upon such written notice. With submission of this signed Agreement to Contractor, Retailer agrees to deliver to Contractor a Retailer Settlement Authorization Form (attached) and voided check for the Retailer account.

b. Contractor shall arrange that the appropriate credit or debit to Retailer's Receiving Depository Financial Institution (RDFI) for

Retailer's account will be made by Contractor's financial service provider the next business day, but no later than two (2) business days following receipt by Contractor of Retailer's end-of-day POS settlement information. Settlement information received after Contractor's processing deadline will be processed for credit or debit the following business day (credit or debit to be made no later than two (2) business days after processing). Such credit or debit will be made by Automated Clearing House credit or debit to Retailer's RDFI for Retailer's account.

c. Contractor will process for reimbursement submitted Manual Vouchers within two (2) business days of receipt from Retailer. Manual Vouchers which are incomplete or otherwise improperly prepared and submitted will be returned to Retailer within four (4) business days of submission for completion or correction and resubmission. Contractor will use reasonable means to obtain missing or incomplete information prior to return to Retailer.

d. In the event that the credit received by Retailer for redemptions is less than Retailer believes is otherwise due, Retailer will promptly notify Contractor of the discrepancy and Contractor and Retailer will compare records to determine the source of such discrepancy, as described in the Manual. Contractor and Retailer will negotiate in good faith to resolve any discrepancies, in accordance with the Rules.

7. **Required Licenses.** If Retailer redeems FS Benefits under this Agreement, Retailer represents and warrants to Contractor that Retailer is a FNS-authorized retailer and is not currently disqualified or withdrawn from redeeming food benefits or otherwise disqualified or withdrawn by FNS. Retailer agrees to secure and maintain at its own expense all necessary licenses, permits, franchises, or other authorities required to lawfully effect the redemption and distribution of Benefits under this Agreement, including without limitation, any applicable franchise tax certificate and non-governmental contractor's certificate, and covenants that Retailer will not redeem Benefits at any time during which Retailer is not in compliance with the requirements of any applicable law.

8. **Limitation of Liability; Indemnities.**

a. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR LOSS OF GOOD WILL, OR FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER SUCH CLAIM ARISES IN TORT OR IN CONTRACT.

b. Retailer agrees to conduct the redemption of Benefits with due care and diligence and to indemnify Contractor and the State for any loss, liability, damage, fee or expense, including reasonable attorneys' fees, (collectively, "Loss") incurred by any of those entities based upon or arising out of all breaches by Retailer of any of the representations, warranties, covenants or agreements contained in this Agreement or any claims by any other person or entity, if and to the extent a court of competent jurisdiction will determine such Loss to such other person or entity resulted from the negligent acts or omissions, willful misconduct or criminal acts or omissions of Retailer, its directors, officers, employees or agents.

c. Contractor agrees to conduct the authorization and denial of Benefits transactions with due care and diligence and to indemnify Retailer for any Loss incurred by Retailer based upon or arising out of all breaches by Contractor of any of the representations, warranties, covenants or agreements on its part contained in this Agreement or any other claim of any other person or entity, if and to the extent that a court of competent jurisdiction shall determine such Loss resulted from the negligent acts or omissions, willful misconduct or criminal acts of Contractor, its directors, officers, employees or agents.

9. **Term and Termination.**

a. This Agreement will be effective from the date hereof and will continue in effect for a period of one year after that date, and thereafter for consecutive one-year periods, unless terminated at the end of any such period pursuant to a notice given by either party to the other party at least ninety (90) calendar days prior to the end of

that period, or at such other time as may be mutually agreed upon, or unless otherwise terminated in accordance with this Section 9.

b. If the Retailer is disqualified or withdrawn from the FS Program, Retailer's engagement to redeem FS Benefits will be terminated contemporaneous therewith.

c. Retailer may, in its sole discretion, suspend or terminate this Agreement, effective upon delivery of a notice of suspension or termination specifying the reasons for such suspension or termination, for any breach by Contractor of the provisions of this Agreement.

d. This Agreement may also be suspended or terminated by either party, in its sole discretion, effective upon delivery of a notice of suspension or termination specifying the reasons therefore if (i) the other party has commenced, or has commenced against it, any case or proceeding relating to bankruptcy, insolvency or relief of debtors or seeking the appointment of a receiver, trustee or similar official, or (ii) the other party makes a general assignment for the benefit of creditors, or (iii) the other party admits its inability to generally pay its debts as they become due.

e. Retailer acknowledges that the State has the right to terminate the Principal Agreement at will. In addition, this Agreement may be suspended or terminated effective at the time of delivery by an authorized representative of the State to Retailer of a notice of suspension or termination.

f. All payments, accounts, documents, reports, or other matters remaining due at the suspension or termination of this Agreement will be completed and delivered as though this Agreement were still in effect, and the obligations of Retailer under Sections 3(b), 3 (c), 4, 6, 8, 9, 10, 11, 13 and 14 of this Agreement will survive any suspension or termination.

10. **Force Majeure.** Neither party will be responsible for errors, delays or nonperformance due to events beyond their reasonable control, including, but not limited to, acts of God; interruption, fluctuation or unavailability of power or communications; changes in law or regulation or other acts, orders or omissions of governmental authority or compliance herewith; acts of sabotage; strikes; weather conditions; fires; or explosions.

11. **Confidentiality.**

a. Retailer, its directors, officers, employees, and agents will treat all information, with particular emphasis on information relating to Recipients and applicants, which is obtained by it through its performance under this Agreement, as confidential information to the extent required by the laws of the State wherein Retailer redeems Benefits pursuant hereto and of the United States and any regulations promulgated thereunder.

i. Individually identifiable information relating to any Recipient or applicant will be held confidential and will not be disclosed by Retailer, its directors, officers, employees or agents, without the prior written approval of the State.

ii. The use of information obtained by Retailer in the performance of its duties under this Agreement will be limited to purposes directly connected with such duties.

iii. Retailer will promptly advise Contractor of all requests made to Retailer for information described in paragraph (a) above.

iv. Retailer will be responsible for assuring that any agreement between Retailer and any of its directors, officers, employees or agents contains a provision which strictly conforms to the provisions of this Section 11.

b. Contractor, its directors, officers, employees, and agents shall treat all information, with particular emphasis on information relating to Retailer's non-EBT business, Recipients and applicants, which is obtained by it through its performance under this Agreement, as confidential information to the extent required by the laws of the State of wherein Retailer redeems Benefits pursuant hereto and of

the United States and any regulations promulgated thereunder. The use of information obtained by Contractor in the performance of its duties under this Agreement shall be limited to purposes directly connected with such duties.

c. If Retailer redeems Benefits in more than one State pursuant to this Agreement, the law of the State in which the Benefits were issued will apply to information arising out of that transaction. In all other instances, the laws of the State of California will apply.

12. **Notices.** Except where this Agreement or the Manual specifically provides for telephonic notice, any notice required or permitted under this Agreement will be in writing and will be deemed to have been properly given or made when personally delivered or when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, or when sent via recognized overnight courier addressed to a party at the address set forth at the beginning of this Agreement or at such other address as may have theretofore been specified by written notice delivered in accordance herewith. Telephonic notice will be given by Retailer to Contractor where permitted by this Agreement by calling a toll free number, or such other telephone number or numbers as will hereafter be provided by Contractor to Retailer by written notice provided in accordance with this Section 12.

13. **EBT Service Marks.** Retailer will adequately display the State's service marks or other licensed marks, including the Quest® Service Mark and other materials supplied by the Contractor in accordance with the standards set by the State. Retailer will use the service marks only to indicate that Benefits are redeemed at Retailer's location(s) and will not indicate that the State or Contractor endorse Retailer's goods or services. Retailer's right to use such service marks pursuant to this Agreement will continue only so long as this Agreement remains in effect or until Retailer is notified by the State or Contractor to cease their use or display.

14. **Miscellaneous.**

a. Sole Agreement; Modification or Amendment. This Agreement sets forth the entire understanding between the parties with respect to the subject matter hereof and may be modified only by a written instrument signed by the parties hereto. If any terms or conditions of this Agreement are found to conflict with Federal or State law, regulation or policy, this Agreement will be subject to amendment by Contractor upon ninety (90) calendar days notice to Retailer.

b. Assignment. Retailer agrees not to convey, assign, delegate, subcontract, novate, or otherwise transfer in any manner whatsoever any of Retailer's rights or obligations under this Agreement without prior written approval of FNS and Contractor.

c. Severability. If any provision of this Agreement is held invalid by a court of competent jurisdiction, such provisions will be inoperative but all other provisions of this Agreement will remain in full force and effect.

d. No Third-Party Beneficiaries. This Agreement, does not create, and will not be construed as creating, any rights enforceable by any person not a party to this Agreement, except that the State and Xerox State and Local Solutions, Inc. will be deemed third-party beneficiaries of the representations, warranties, covenants and agreements of Retailer hereunder.

e. State Action. Nothing in this Agreement shall preclude the State wherein Retailer redeems Benefits pursuant hereto from commencing appropriate administrative or legal action against the Retailer or for making any referral for such action to any appropriate Federal, State or local agency.

f. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California, without giving effect to conflict of laws.

g. Collateral Contacts. The Retailer agrees to provide to the Contractor the names, address, and telephone numbers of two Business Associates or Relatives that have knowledge to contact the Retailer if the Contractor cannot locate the Retailer.

IN WITNESS WHEREOF, the parties hereto have caused this Retailer Agreement – Electronic Benefit Transfer Program to be executed by the persons thereunto duly authorized as of the dates written below.

RETAILER:

(Registered Business Name must match FNS application)

By: _____
(Signature of Owner or Authorized Personnel)

Printed
Name: _____

Title: _____

Date: _____

CONTRACTOR:

XEROX STATE & LOCAL SOLUTIONS, INC.

By:  _____
(Authorized Signature)

Printed
Name: Michael Langenohl

Title: Senior Vice President, State Enterprise Solutions Customer Care

Date: 4/5/2010

**RETAILER AGREEMENT
ELECTRONIC BENEFIT TRANSFER PROGRAM
(EBT ONLY)**

APPENDIX A

Retail Location (Name, Address, City, State, & ZIP Code)	FNS Number	Hours of Operation	Benefits Accepted	Cash Benefits Limits
			<input type="checkbox"/> Food & Cash <input type="checkbox"/> Food <input type="checkbox"/> Cash	<input type="checkbox"/> Cash Purchase Only (No Cash Back) <input type="checkbox"/> Cash Back Limit per Customer of \$_____ <input type="checkbox"/> Cash Back Limit per Day of \$_____
			<input type="checkbox"/> Food & Cash <input type="checkbox"/> Food <input type="checkbox"/> Cash	<input type="checkbox"/> Cash Purchase Only (No Cash Back) <input type="checkbox"/> Cash Back Limit per Customer of \$_____ <input type="checkbox"/> Cash Back Limit per Day of \$_____
			<input type="checkbox"/> Food & Cash <input type="checkbox"/> Food <input type="checkbox"/> Cash	<input type="checkbox"/> Cash Purchase Only (No Cash Back) <input type="checkbox"/> Cash Back Limit per Customer of \$_____ <input type="checkbox"/> Cash Back Limit per Day of \$_____
			<input type="checkbox"/> Food & Cash <input type="checkbox"/> Food <input type="checkbox"/> Cash	<input type="checkbox"/> Cash Purchase Only (No Cash Back) <input type="checkbox"/> Cash Back Limit per Customer of \$_____ <input type="checkbox"/> Cash Back Limit per Day of \$_____
			<input type="checkbox"/> Food & Cash <input type="checkbox"/> Food <input type="checkbox"/> Cash	<input type="checkbox"/> Cash Purchase Only (No Cash Back) <input type="checkbox"/> Cash Back Limit per Customer of \$_____ <input type="checkbox"/> Cash Back Limit per Day of \$_____
			<input type="checkbox"/> Food & Cash <input type="checkbox"/> Food <input type="checkbox"/> Cash	<input type="checkbox"/> Cash Purchase Only (No Cash Back) <input type="checkbox"/> Cash Back Limit per Customer of \$_____ <input type="checkbox"/> Cash Back Limit per Day of \$_____

**RETAILER AGREEMENT
ELECTRONIC BENEFIT TRANSFER PROGRAM
(EBT ONLY)**

**APPENDIX B
POINT-OF-SALE (POS) DEVICE DEPLOYMENT GUIDELINES
AS SET FORTH IN 7 C.F.R. § 274.12 (h)(4)(ii)**

If Retailer's total food sales monthly are:

- (i) 15 percent or more food benefit redemption,

Retailer (or Contractor) will equip all lanes with POS devices, not to exceed the amount of lanes registered with FNS.

- (ii) less than 15 percent food benefit redemption,

then (a) Retailers which are supermarkets will permit installation by Contractor of one POS device for every \$11,000 of monthly redemption activity, not to exceed the amount of lanes registered with FNS, or

(b) Retailers which are non-supermarket retailers will permit installation by Contractor of one POS device for every \$8,000 of monthly redemption activity, not to exceed the amount of lanes registered with FNS.

If monthly redemption activity exceeds \$30,000 per month, Retailer may request one (1) POS device to be located at the Retailer office, customer service or other location for the purpose of conducting Benefit account balance inquiries.

If Retailer's total monthly food benefit redemption activity is less than \$100, Retailer will not receive a POS device, except at its own expense, and Retailer will be permitted to redeem Benefits only through use of Manual Vouchers as set forth in paragraph 2 (c) of the Agreement.

If retailer's total monthly food benefit redemption activity is more than \$5,000.00 and if use of existing location telephone line is insufficient to meet transaction demand, Retailer may ask Contractor to support an additional telephone line to cover only base business service (local dial-out, no incoming calls, no long distance calls) for the sole use of conducting EBT POS transactions. Retailer will be responsible for payment of the monthly telephone bill for the line used by the EBT POS device. The Contractor will reimburse the Retailer for the one-time installation cost of the dedicated telephone line and will reimburse on a monthly basis, the base service line cost of the telephone line to the retailer by ACH into the account provided by the retailer for daily settlement.

Note: The POS device will dial a toll-free number to conduct EBT transactions. The contractor will not be liable for any non-EBT transaction calls made from the line. Contractor reserves the right to audit the line to ensure it is used for the sole purpose of conducting EBT POS transactions.

**RETAILER AGREEMENT
ELECTRONIC BENEFIT TRANSFER PROGRAM
E**

APPENDIX C

RETAILER FEES IF ADDITIONAL EQUIPMENT IS REQUESTED

Monthly Service Fee:	If Retailer requests additional lane coverage above and beyond what is specified in the FNS Guidelines, Xerox will provide and install EBT-only Equipment at a rate of \$21.50 per month plus tax per set (POS device, printer, PIN pad, and software).
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CALIFORNIA EBT EQUIPMENT RIDER

This EBT Redemption Equipment Rider is entered into between Xerox State & Local Solutions, Inc. ("Contractor") and _____ ("Retailer") to supplement the terms and conditions of that certain Retailer Agreement – Electronic Benefit Transfer Program (the "Agreement") between Contractor and Retailer of event date herewith. Unless otherwise defined herein, all capitalized terms shall have the meanings assigned them in the Agreement.

1. **Equipment.** Contractor will furnish and install at no cost to Retailer for initial installation POS devices, printers, PIN pads, and necessary software and supplies ("Equipment") for Retailer's locations in the amounts listed for each location identified in Appendix A to the Agreement. Contractor will provide for the installation, maintenance, service of equipment and related supplies at no expense to Retailer. Retailer shall provide Contractor access to its locations during normal business hours for the purpose of installing Equipment. Prior to installation of the Equipment at a location specified in Appendix A, Retailer will warrant that such location conforms to applicable local, county or state building, construction and safety codes then in effect. If Contractor has previously installed Equipment at Retailer's location, and if retailer was disqualified from the program and is subsequently re-authorized, Retailer will be responsible to pay the Contractor one hundred dollars and no cents (\$100.00) for reinstallation of Equipment.
2. **Use of Equipment.** Retailer will use the Equipment according to Contractor's instructions and only in connection with the EBT Program or other products or services as authorized in writing by Contractor, and only at the locations specified in Appendix A. The deployment of the Equipment within each retail location will be in accordance with guidelines furnished by Contractor, the State, and any authorized State or federal governmental agency (current requirements are specified in Appendix B to the Agreement). In the event Retailer wishes to add additional equipment during the term of this Agreement, in conformance with such guidelines, Appendix C, as attached shall be used as the basis of such request.
3. **Equipment Malfunction.** Retailer agrees to immediately notify Contractor by calling the Retailer Customer Service Call Center toll-free number of any Equipment failure or malfunction relating to the EBT Program and to make Retailer's premises available for repairs or replacement. In the event that the Equipment fails to operate, Retailer agrees to return the Equipment to Contractor, at Contractor's expense, for replacement as set forth in the Manual. Contractor may ship replacement Equipment by express carrier to Retailer for Retailer installation to replace Equipment determined to be damaged, stolen or malfunctioning. In the event that Retailer is unable to effectuate installation despite telephone assistance from Contractor, Contractor will, within forty-eight (48) hours of notice of inability to install, make available an on-site representative to effect installation.
4. **Care of Equipment.** Retailer agrees to follow the instructions of any Manuals accompanying the Equipment, as amended from time-to-time, in the use and care of the Equipment and agrees to advise Contractor or its authorized representatives of any conditions that may require servicing. Retailer will take all reasonable security measures to protect the Equipment from damage and/or unauthorized use. Retailer will not make or attempt to make any repairs to the Equipment. Retailer will ensure that Retailer's existing insurance covers the Equipment against casualty loss. Retailer agrees to bear the expense of repairing damage to the Equipment which occurs while the Equipment is in Retailer's care, unless such damage is caused by Equipment malfunction which did not result from Retailer's improper use of the Equipment.
5. **Inspection of Equipment.** Contractor reserves the right to inspect the Equipment during Retailer's normal business hours.
6. **Non-Encumbrance of Equipment.** Retailer will not encumber, transfer, pledge or sublease the Equipment in any way or take any actions that in any way suggest, indicate or imply that Retailer is the owner of the Equipment.
7. **Disclaimer of Warranties.** Contractor or the State is not the manufacturer of or a supplier of the Equipment, nor a dealer in similar Equipment. CONTRACTOR HAS NOT MADE, AND DOES NOT MAKE, ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO DESIGN, CONDITION, DURABILITY, SUITABILITY, FITNESS FOR USE OR MERCHANTABILITY OR VALIDITY OF PATENTS OF THE EQUIPMENT IN ANY RESPECT, EXCEPT THAT CONTRACTOR WILL REPAIR OR REPLACE ANY EQUIPMENT WHICH DOES NOT FUNCTION IN ACCORDANCE WITH THE DESCRIPTIONS FOR THE EQUIPMENT PROVIDED BY THE MANUFACTURER. Contractor and the State will provide no additional indemnification with respect to such claims.
8. **Disclaimer of Liability and Indemnification.** Contractor and the State will not be responsible or liable for any cost, expense or damage arising out of the use of the Equipment by Retailer including, but not limited to, lost profits or damages to persons or property. Retailer will bear all risks including the entire risk of loss, theft, damage or destruction of the Equipment and all liability for the use, possession, operation, storage and condition of the Equipment; provided, however, that Retailer will not be liable for personal injury and/or damages to property resulting from the negligence or willful acts of Contractor, its employees, subcontractors or agents. Retailer will indemnify and hold Contractor, its parent corporations, affiliates, employees, subcontractors and agents harmless from all losses, costs, expenses and damages, including attorneys' fees, incurred because of or incident to the Equipment or the use, possession, operation, storage and condition thereof; provided, however, that Retailer's obligation to indemnify and hold harmless will not apply in cases in which Contractor will be found liable for personal injury and/or damage to property resulting from the negligence or willful acts of Contractor, its employees, contractors or agents.
9. **Termination of Agreement.** Upon termination of the Agreement pursuant to Section 9 thereof, Retailer will immediately return the Equipment to Contractor or purchase the Equipment from Contractor at a price to be mutually agreed upon between Contractor and Retailer. Retailer agrees to pay Contractor according to the fees set forth in Table 1 (one) below for any lost or stolen equipment in Retailer's possession and care at the time of loss or for failure to return equipment upon Contractor's request. Contractor reserves the right to initiate an Automated Clearing House (ACH) from Retailer's account if payment is not received by Contractor within ten (10) business days from the day of loss or the day of Contractor's notification to return the equipment.

Table 1:	Year one	Year two	Year three	Year four	Year five	Year six or later
VeriFone 3200 or Vx510 POS Device	\$657.90	\$526.32	\$394.74	\$263.16	\$131.58	\$65.79
PIN Pad 1000 or 1000SE	\$107.10	\$82.68	\$64.26	\$42.84	\$21.42	\$10.71
Complete Set or	\$765.00	\$612.00	\$459.00	\$306.00	\$153.00	\$76.50
Verifone 3600 or Vx610 Wireless POS Device	\$875.00	\$700.00	\$525.00	\$350.00	\$175.00	\$85.00

10. **Right of Possession.** Upon the suspension or termination of this Agreement, Contractor will have the right to take possession of all Equipment or bill Retailer for the cost of the Equipment if Contractor is unable, due to Retailer's action or inaction, to take possession of the Equipment.

IN WITNESS WHEREOF, the parties hereto have caused this EBT Redemption Agreement Rider to be executed by the persons thereunto duly authorized as of the dates written below.

RETAILER:

(Registered Business Name)

By: _____
(Signature of Owner or Authorized Personnel)

Printed
Name: _____

Title: _____

Date: _____

BUSINESS ASSOCIATE:

Printed
Name: _____

Title or
Relationship: _____

Telephone: _____

Address: _____

BUSINESS ASSOCIATE:

Printed
Name: _____

Title or
Relationship: _____

Telephone: _____

Address: _____

CONTRACTOR:

XEROX STATE & LOCAL SOLUTIONS, INC.

By: 
(Authorized Signature)

Printed
Name: Michael Langenohl

Title: Senior Vice President,
State Enterprise Solutions Customer Care

Date: 4/5/2010